

FDR-The First Hundred Days

The first one hundred days of Franklin Roosevelt's administration constitute one of the most remarkable explosions of legislation in the history of the Congress. The long lame-duck session meant that Roosevelt was not inaugurated until March 4 (the last time that occurred, as the 20th Amendment soon moved inauguration day up to January 20). Between Roosevelt's election and inauguration thousands of banks closed their doors; many people had withdrawn their money and stuffed it under their mattresses for safe keeping, which only made matters worse.

President Roosevelt immediately called a special session of Congress to deal with the banking crisis. On March 9 he sent an Emergency Banking Act to Congress, where it was passed and then signed by the president that day. The act gave the president broad discretionary power to regulate financial transactions, and he immediately called a national bank holiday. The Treasury Department granted licenses for banks to reopen, and the act also prohibited the awarding of gold, and so on. Then Roosevelt went on the air with his first fireside chat, explaining his actions to the people "in terms even a banker could understand." His precipitous action checked the money panic. On March 20 the president signed the Economy Act, which sought to balance the budget by reducing government salaries 15 percent. It also cut private pensions and reorganized government agencies for greater economy; in the end it saved about \$243 million. _The Democrats had promised an end of Prohibition, and with passage of the 21st amendment, Congress passed the Beer and Wine Revenue Act of March 22, which taxed alcoholic beverages to raise federal revenue.

On March 31 Congress passed the Civilian Conservation Corps Reforestation Act, which established the Civilian Conservation Corps and provided 250,000 jobs for males ages 18-25. Wages were \$30 per month, part of which was to go to dependents. (A family could eat on a dollar a day in those hard times.) Under the act, work camps were built and run by different federal departments to work on conservation projects such as planting trees to combat soil erosion; to improve national forests; and to create fish, game, and bird sanctuaries. By 1941 two million young men had served in the CCC, and many of their works are still standing in America's forests.

Within less than a month of FDR's inauguration four major bills had been passed, and more was to come. On April 19 the United States

officially abandoned the gold standard, which some have called the “most revolutionary act of the New Deal.” This meant that paper money would no longer be redeemable in gold. The value of the dollar soon declined abroad, which stopped the drain of American gold to Europe. The government fixed the value of gold at \$35 per ounce, and it became illegal for citizens to own gold, except in jewelry and other artifacts. At the same time the government purchased large quantities of silver, and silver certificates continued to be redeemable in silver, generally coins. (The “Washington Quarter” was mostly silver in content until 1964.)

Additional measures of the Hundred Days included:

The May 12 **Federal Emergency Relief Act** created the Federal Emergency Relief Administration, funded at \$500 million, one half of which was to go to the states for direct relief. The remainder was to match state funds for unemployment relief at a rate of \$1 for 3. Harry Hopkins was appointed relief administrator.

Under the leadership of Agriculture Secretary Henry Wallace, Congress pulled out all the stops to help farmers, passing the **Agricultural Adjustment Act**, the Emergency Farm Mortgage Act, and the Farm Credit Act. The acts provided for the elimination of surplus crops, establishment of parity prices, and the reduction of crop production by paying farmers to allow land to lie fallow. In the process, animals were slaughtered and crops plowed under, which Secretary Wallace himself called a “shocking commentary on our civilization.”

On May 18 the **Tennessee Valley Authority** was created as an “experiment” in social planning. The TVA was given authority to build dams and power plants and to develop the entire region economically by selling power, and so on. The TVA, a pet project of FDR’s, which he visited several times, became a yardstick for evaluating the operation of power companies, establishing fair rates, and so on. Nine dams were built and existing dams were acquired by the TVA. During World War II power from TVA dams was used to produce munitions and support operations at Oak Ridge, which were part of the Manhattan (atomic bomb) Project.

FDR signs the TVA Act.

On June 16 the Banking Act Of 1933 (the Glass-Steagall Act) created the **Federal Deposit Insurance Corporation** (FDIC), which protected all bank deposits up to \$5,000 and widened the power of the

Federal Reserve Board over member banks. The act separated commercial and investment banking, and forced banks to get out of the investment business, restricting the use of bank deposits for speculative ventures. Today the FDIC insures all bank deposits up to \$100,000.

The National Industrial Recovery Act of June 16 created the **National Recovery Administration (NRA)**, probably the most controversial of the New Deal measures. The act established fair trade codes and provided for industrial self-regulation with government supervision. The act included restrictions of plant operations, the establishment of a minimum wage, prohibition against child labor, and limited the work week to forty hours. The NRA symbol was the Blue Eagle—which businesses could display after "Signing the pledge." The NRA also created the Public Works Administration (PWA), budgeted with \$3.3 billion to be spent on public works construction to provide employment, raise purchasing power, promote welfare, and contribute to the revival of American industry.

Additional acts included new laws to control information on new securities being offered to the public; to make paper legal tender; to establish a federal employment service to help people find jobs; to make loans for people to pay taxes, make repairs on homes, and refinance mortgages; to improve efficiency of railroads by reorganization and creating a federal coordinator of transportation.

That huge outpouring of legislation brought the hundred days to an end, but the New Deal continued to expand government activity throughout 1933 and into 1934 and '35. Although the New Deal measures were considered radical by many at the time, the social and economic reforms introduced by Roosevelt had been common in Europe for some time. In addition, beginning with the Interstate Commerce Act of 1887, the government has increasingly adopted policies that tended to abandon the idea of "laissez-faire" capitalism. Progressives led by Theodore Roosevelt and Woodrow Wilson had continued the process.

The most remarkable aspect of the New Deal, especially in its early days, was the speed with which it was put into practice. The model legislation produced in the first hundred days of Franklin Roosevelt's first term was comparable to the entire amount of major business legislation passed during the Gilded Age. Just as remarkable, the New Deal suddenly brought millions of average Americans an awareness of government that they had never had before. Government now became a part of people's daily lives.

Many of Roosevelt's critics have charged him with creating a welfare state, but Roosevelt continually supported programs designed to put people back to work. The Civil Works Administration, created in November 1933, provided jobs as diverse as ditch digging and highway repairs and teaching.

The troubles of the American farmer were exacerbated by the great drought that began in 1931, creating what was known as the "dust bowl." Severe storms blew clouds of dust raised from plowed fields and dried out prairies across the southern Great Plains. The storms destroyed crops and equipment, and people and animals suffered. Close to a million people, sometimes called "Okies," left Oklahoma and other areas of the Midwest during the 1930s and 1940s and headed for California. (Their trials are chronicled in John Steinbeck's classic work, *Grapes of Wrath*.) When the AAA was declared unconstitutional, four additional programs were instituted, and by 1940 millions of farmers were receiving subsidies under federal programs.

Still the Depression lingered on, and the social dislocations resulting from extended periods of unemployment that kept thousands in abject poverty took a grave toll on substantial portions of the population, especially in areas such as Appalachia and in manufacturing regions where heavy industries had been brought almost to a standstill. Marriages were delayed, birthrates plummeted, and a federal bureau determined that approximately 20 percent of all American children were underfed. Armies of men, women, and even children rode the rails in search of employment or any opportunity to improve their poverty-stricken lives.

The Hundred Days: Summary

0. March 4 FDR inaugurated, calls special session of Congress to deal with banking crisis, then holds them in session to meet with other crises. Goals are relief, recovery and reform.
- . March 9 EMERGENCY BANKING ACT is introduced, passed, approved in one day. Gives President broad discretionary power to regulate financial transactions. Treasury Department grants licenses for bank reopenings; gold hoarding prohibited, etc. Checked money panic.
- . March 20 ECONOMY ACT. Sought to balance budget by reducing government salaries 15%; cut pensions, reorganized government agencies for greater economy. Saved about \$243 million against FDR estimate of \$500 million.
0. March 22 BEER-WINE REVENUE ACT. 3.2 beer, wine, etc., taxed to enhance federal revenue.

- . March 31 The CIVILIAN CONSERVATION CORPS REFORESTATION ACT establishes the Civilian Conservation Corps and provides 250,000 jobs for males ages 18-25 with wages of \$30 per month, part to go to dependents. Work camps built, run, by different departments. Two million young men serve by 1941.
- 0. April 19 U.S. officially abandons gold standard—the "most revolutionary act of the New Deal." Dollar declines abroad; stopped drain of gold to Europe. Value of gold fixed at \$35 per ounce. It becomes illegal for citizens to own gold, except in jewelry, etc.
- 0. May 12 FEDERAL EMERGENCY RELIEF ACT creates FERA. \$500 million, 1/2 for direct relief to states, rest to match state funds for relief \$1 for 3. Later increased to \$1 billion. Harry Hopkins appointed relief administrator. For unemployment.
- . AGRICULTURAL ADJUSTMENT ACT; EMERGENCY FARM MORTGAGE ACT. Every major device applicable to farm relief. Elimination of surplus crops. Establishment of parity prices. For reducing crops, allowing land to lie fallow, farmers paid "rental." Slaughtered 6 million pigs, authorized cotton plow under, etc. Cleaning up the wreckage of unbalanced production. Destroying crops a "Shocking commentary on our civilization." AAA established, run by Wallace. Refinancing farm mortgages. Amendment to the act also provided for currency inflation through silver coinage, paper, etc.
- . May 18 TENNESSEE VALLEY AUTHORITY. "Experiment" in social planning. Government had previously built power plants at Muscle Shoals, Ala., but unable to dispose of. Bills for government operation vetoed. FDR has big plans, visits site. TVA has authority to build dams, power plants, develop region economically, sell power, fertilizer. "Yardstick" for fair operation of power companies, rates, etc. 9 dams built. WWII power for munitions, Oak Ridge, etc. Humane (graves, etc.)
- 0. May 27 FEDERAL SECURITIES ACT. Full disclosure of all information on new securities being offered. Registration with FTC.
- 0. June 5 GOLD REPEAL JOINT RESOLUTION. Cancels gold transactions, makes paper legal tender.
- 0. June 6 NATIONAL EMPLOYMENT SYSTEM ACT. U.S. Employment Service. Works with states to place people in jobs.
- 0. June 13 HOME OWNERS REFINANCING ACT. HOLC can make loans, advance cash for taxes, repairs, etc. Refinance mortgages.
- 0. June 16 BANKING ACT OF 1933 (GLASS-STEAGALL ACT) Creates FDIC. Deposits up to \$5000 covered. Strengthened, widened power of FRB over banks. Separates commercial and investment banking, makes banks get out of the investment business,

restricts use of bank deposits for speculative ventures. Fixed situation that went back to wildcat days of Jackson era.

- 0. FARM CREDIT ACT. Refinancing based on credits for production.
- 0. EMERGENCY RAILROAD TRANSPORTATION ACT. Sought to improve efficiency by reorganization, etc. Reduced overlapping services, etc. Federal Coordinator of Transportation created.
- 0. THE NATIONAL INDUSTRIAL RECOVERY ACT. Creates NRA. Fair trade codes—industrial self-regulation with government supervision. Plant operation restrictions, minimum wages \$12-13 per week, no child labor, limited week to 40 hours, etc. Blue Eagle—"Signing the pledge. The Act
- . PUBLIC WORKS ADMINISTRATION established to build roads, public buildings, etc. Also included white collar jobs—writers, artists, etc.

End of the 100 Days: The New Deal Continues, 1933

October 18 COMMODITY CREDIT CORPORATION. More relief for farmers; support for farm prices.

November 8 CIVIL WORKS ADMINISTRATION. Outgrowth of FERA. Provides emergency unemployment relief. Creates 4 million federal, state, local make-work projects.

1934

- . January 30 GOLD RESERVE ACT OF 1934. President controls value of dollar, impound gold stocks, etc. Fixed gold value of dollar at 60 cents
- . January 31 FARM MORTGAGE REFINANCING ACT. Established Federal Farm Mortgage Corporation.
- . February 2 EXPORT-IMPORT BANK. Encourage overseas commerce.
- 0. February 15 CIVIL WORKS EMERGENCY RELIEF ACT. \$950 million for use by FERA for relief—leads to WPA.
- 0. June 6 SECURITIES EXCHANGE ACT. Established Securities and Exchange Commission.
- . June 19 FEDERAL COMMUNICATIONS ACT creates FCC.
- 0. June 28 National Housing Act establishes FHA. Covers mortgages, farms, small business properties, etc.

1935: [The Second New Deal](#)

- . April 8 EMERGENCY RELIEF APPROPRIATION ACT establishes WPA—over 3 million by June 1936.
- . May 1 Resettlement Administration. Moves poor families to "Greenbelt" towns.
- _. May 11 Rural Electrification Administration (REA) established.

Electrifies the rural South.

- 0. June 26 National Youth Administration created under WPA. Relief work for youths 16-25 from relief families.
 - . July 5 NATIONAL LABOR RELATIONS ACT ("Wagner-Connery Act") made labor more powerful; guaranteed collective bargaining rights. Created NATIONAL LABOR RELATIONS BOARD. Salvaged some of NLRA.
- 0. August 14 SOCIAL SECURITY ACT. Partial response to Townsend-Long coalition. Unemployment compensation; old age and survivors' *insurance*; *old-age pensions*; relief for blind, homeless, crippled, etc. Payments very low (\$10-40/month.)
- 0. August 30 REVENUE ACT OF 1935 (WEALTH TAX ACT). FDR: "Unjust concentration of wealth and power." Called "Soak the rich act." 75% on highest incomes—estates, gift taxes, excess profits. More graduated rates established for business.

A New Deal for the Indians

In 1924 all American Indians had been granted citizenship as American citizens. For over a century the development of Indian and white relations had centered around one basic dilemma: Should the Indians be "Americanized" and separated from their cultural surroundings to become everyday American citizens? Or would the Indians be allowed to remain on reservations or in other protected areas so that they could continue to live according to their cultural traditions? The answer, of course, is that for much of American history Indians have followed both paths. Some have become assimilated, and some have resisted assimilation. The topic remains controversial within Indian cultures, and it must be kept in mind that even today, the existing Indian cultures are quite diverse.